

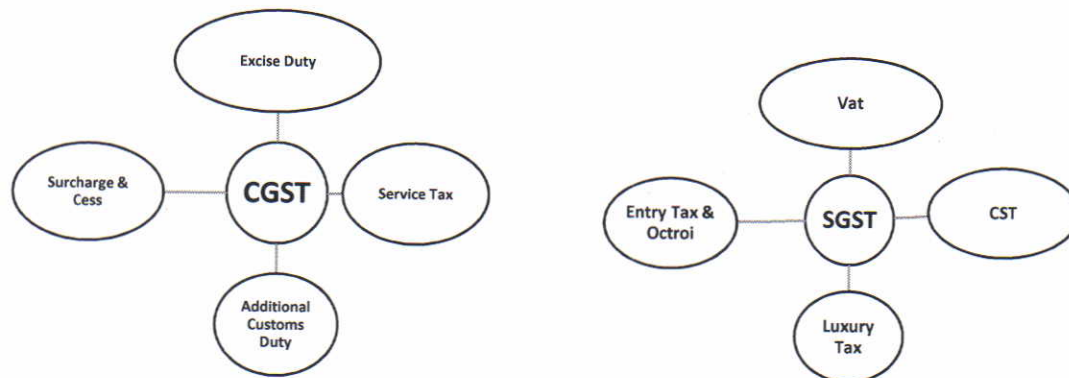


GST Concept & FAQs

1) What is GST?

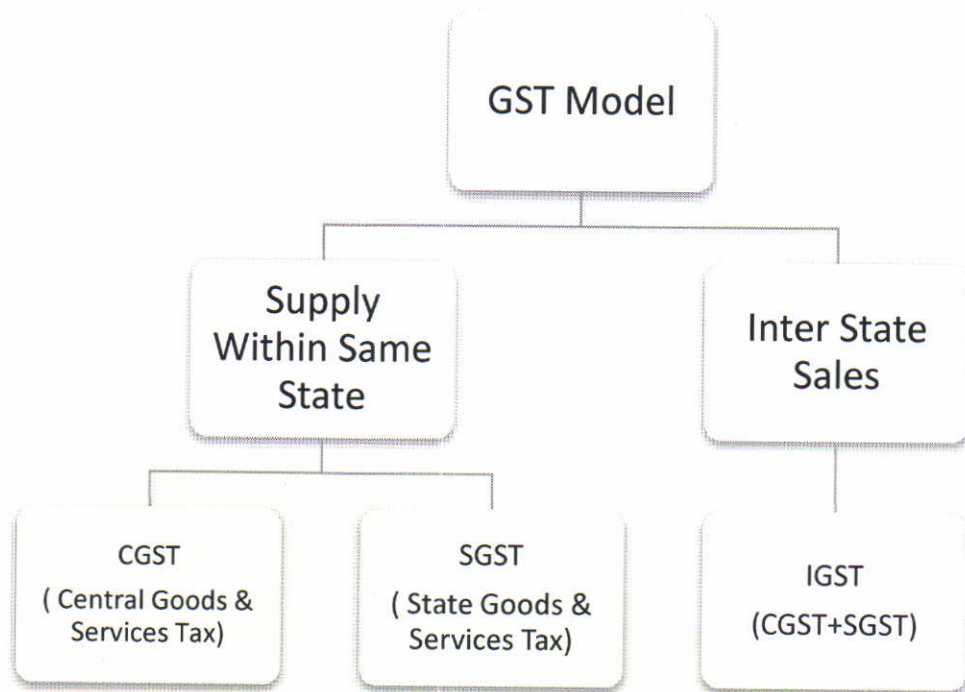
- GST is value added tax on all goods & services
- Payable on all Supplies-Sales, Stock Transfer, Barter, Lease
- Tax on transactional value
- Single Tax Rate across India
- Seamless Credit across entire supply chain and across all the States/UT

2) What Taxes are getting subsumed in GST?





3) What are the types of Taxes levied under GST?



4) What are the Registration Thresholds?

Turnover up to 20 lacs*

Registration not required

**10 lacs for selected states*

-Arunachal, J&K, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura, HP & UTC

20 lacs to 75 lacs*

- Registration mandatory
- Can opt for Composition Scheme
- Tax on Turnover at a flat% of 1%
- No need to maintain Input & Output Records
- Only 1 Quarterly Return

** 50 lacs in case of Arunachal, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, J&K, Tripura, HP*

Over 75 Lacs

- Registration Mandatory
- Need to be full GST compliant
- Maintain all records & file all returns



- a) Above Turnover is Annual Turnover and includes all taxable & non-taxable supplies
- b) Turnover doesn't include GST taxes, hence its basic value on which tax is charged
- c) It doesn't include value of supplies on which tax is paid on reverse charge basis

5) Is composition scheme applicable to every registered person?

No. The registered taxable person whose aggregate turnover in the preceding financial year does not exceed 75 lacs (50 lacs for selected states) may opt for composition scheme. However, following persons will not be eligible for composition scheme:-

- a) He is engaged in making supply of services
- b) He is engaged in making any inter-state sales of goods
- c) He is engaged in making supply of goods through an electronic commerce operator and is required to collect tax at source
- d) He is a manufacturer of such goods as may be notified by the govt.

6) Can supply be made to an Unregistered Retailer?

Yes. Supply can be made to an unregistered dealer and there is no liability on seller if he charges GST on invoice. However, an unregistered dealer will not be able to get input tax credit.

7) What are Britannia Products HSN Codes & GST Rates?

Product	HSN Code	GST Rate
Bread	19051000	0.0%
Rusk	19054000	5.0%
Cake	19059010	18.0%
Biscuit	19053100	18.0%
Butter	04051000	12.0%
Yogurt	04031000	5.0%
Curd	04061000	0.0%
Ghee	04059020	12.0%
Dairy Whitener	04021010	5.0%
Cheese	04063000	12.0%
UHT Milk	04012000	5.0%
Butter Milk(Chaas)	04039010	0.0%
Flavoured Milk	22029030	12%

To be equally divided between CGST & SGST



8) What happens to additional tax burden on Closing Stock at AW/SS point due to change in Tax Rates?

Transitional Provisions have provided for below two input credits on Opening Stock as on 1st July:

- a) Vat Input carried forward
- b) Deemed Credit @60% on excisable products

With availability of above credits the additional tax burden will be very minimal.

However, if there is any additional tax burden on opening stock due to change in tax Rates, Britannia will be reimbursing that. Detailed process note on this has already been issued.

9) How the billing will look like for Retailers?

Below is a sample example assuming MRP Rs.100, Retailer Margin-10%, GST Rate-18%

Rs.	GST Regime	
MRP	100	
Output GST	15.25	$\frac{MRP}{(1 + GST \%)}$ $\frac{Rs. 100}{(1 + 18\%)}$
Basic Retailer Sales Price	84.75	MRP-GST
Retailer Landed (RL)	90.91	$\frac{MRP}{(1 + RM \%)}$ $\frac{Rs. 100}{(1 + 10\%)}$
Input GST	13.87	$\frac{DL}{(1 + GST\%)}$ $\frac{Rs. 90.91}{(1 + 18\%)}$
Basic Retailer Purchase Price	77.04	RL- GST



10) What happens to AW margin?

AW's basic margin will be maintained as Britannia will be reimbursing GST on margin.

Below is a sample example assuming MRP Rs.100, Retailer Margin-10%, AW Margin-5% & GST Rate-18%

Rs.	GST Regime	
MRP	100	
Retailer Landed	90.91	$\frac{MRP}{(1 + RM \%)}$ $\frac{Rs. 100}{(1 + 10\%)}$
AW Landed	85.84	$\frac{RL}{(1 + Margin\% + Margin \times GST)}$ $\frac{Rs. 90.91}{(1 + 5\% + 5\% \times 18\%)}$
Total Margin	5.06	Retailer Landed- AW Landed
Base Margin	4.29	$\frac{Total\ Margin}{(1 + GST\%)}$ $\frac{Rs. 5.06}{(1 + 18\%)}$
Total Margin %	5.90%	$\frac{Total\ Margin}{AW\ Landed}$ $\frac{Rs. 5.06}{Rs. 85.84}$
Base Margin %	5%	$\frac{Base\ Margin}{AW\ Landed}$ $\frac{Rs. 4.29}{Rs. 85.84}$